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A study was conducted to examine the basic concepts of the Orlando Processing Center and its state-wide goals, followed by recommendations for a future course of action. The report is divided into three parts--a survey of public libraries in the area, a study of the Orlando Processing Center, and an examination of processing needs in Florida, with several alternatives offered for meeting these needs. Recommendations include: (1) administration of the processing center by the State Library or incorporating it as an agency separate from the Orlando Public Library, with reorganization to begin during 1968, (2) need for a much larger centralized processing effort in Florida, with processing offered to all public libraries and eventually to school and community college libraries, (3) development of a Union Catalog by the State, (4) categories of services offered by the Center to include full processing, cataloging only, and ordering but no processing, (5) a computerized operation involving two separate computer systems--an administrative system for ordering and a card catalog system utilizing MARC tape, and (6) development of a price structure varying with the amount of service. Appendixes include the questionnaires used for the study. (JB)

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Centralized Processing for the State of Florida

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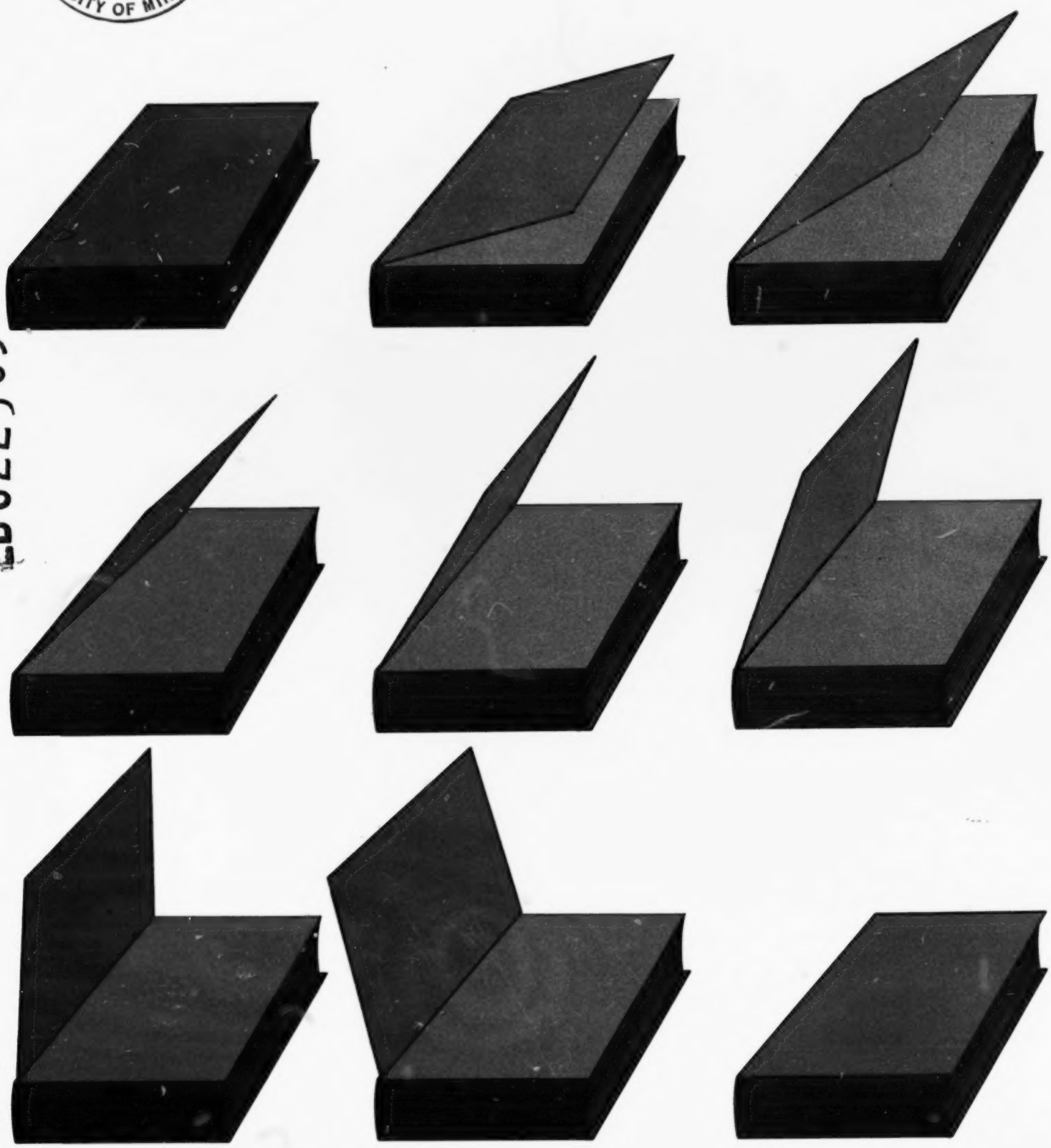

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CENTRALIZED PROCESSING FOR THE STATE OF FLORIDA

Report to:

THE FLORIDA STATE LIBRARY

July 1968

C-69922

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I. INTRODUCTION

The Arthur D. Little Company, Inc., was commissioned by the Florida State Library to undertake a study of Centralized Processing needs particularly for the public libraries in the State of Florida. The following was taken from the Background and Purpose and Scope sections of the proposal:

BACKGROUND

The Florida State Library is interested in having a study made of the services offered by the Centralized Processing Center at the Orlando Public Library. The Center presently serves 17 library systems, covering 32 of Florida's 67 counties. It has been in operation for five years, and processes about 120,000 volumes annually. For the past three years, the State Library has subsidized processing costs for new county and regional libraries on a decreasing scale.

County-wide library service has been established in the two largest counties in the state, and many of the large libraries are not presently using the facilities of the Orlando Center. Because of the current level of processing work and the possibility of a sharp increase, it seems wise at this time to examine the basic concepts of the Center.

PURPOSE AND SCOPE

As we understand it, the purpose of this study will be to examine the concepts of the Orlando Processing Center, the state-wide goals which it endeavors to meet, and the future course of action which should be followed in regard to centralized processing in the state. Questions to be considered include:

- Is the present center efficient?
- What are the needs - present and future in regard to centralized processing in the state?
- How many centers should there be? If more than one appears necessary, what relationships should exist between or among the centers?
- What relationship will the State Library have to whatever processing complex is adopted?

The study will examine the applicability of a computerized operation, as well as necessary communication systems. Recommendations will

include descriptions of types of equipment, if any, that will be required.

A budget requirement will be provided, and indications of types of personnel, if it develops that significant increases in staff requirements will be anticipated.

A determination of the level of need for centralized processing in Florida during the next decade will be made. These needs will then be related to the structure of centralized processing in the state.

In addition, an evaluation of activities at the existing center at Orlando will be carried out.

It is understood that a program for implementation will be presented, and that its parameters will be sufficiently flexible to allow for future expansion.

The report itself consists of three parts. First, a survey of public libraries in the area and the collection of background material which developed an understanding and scope of the processing picture. Secondly, a study of the Processing Center at Fort Gatlin to determine if its present operating methods and administrative structure were efficient and conducive to coping with growth. Finally, the need for processing in Florida and several alternatives to coping with these needs if they extend beyond the ability of the present Center to cope with them.

The case team consisted of:

Mr. Walter Curley, Case Leader
Mr. William Griswold
Miss Mary Heneghan
Mr. Paul Jones

The case team wishes to acknowledge the assistance provided them by the many librarians who talked with them and responded to the questionnaires. Both administrators and staff at the Florida State Library, the Orlando Public Library and the Orlando Processing Center were most cooperative throughout the period of the study.

II. RECOMMENDATIONS

Among the recommendations offered are the following:

- The Center at Fort Gatlin should be administered by the State Library or be incorporated as a separate agency from the Orlando Public Library with the State Library acting in an advisory position. This Center should be the agency on which plans for expansion should be built.

- There is need for a much larger centralized processing effort to be mounted in the State of Florida.

- Processing should be offered to all public libraries and after an initial growth period has elapsed, school libraries and community colleges as well.

- Several alternative growth options have been offered. All are preferrable to the status quo.

- Whatever processing plan or plans is adopted, the State should begin now to use it to develop a Union Catalog, a tool which is vital to the development of a library network in the State of Florida.

- The reorganization should begin with the end of this fiscal year and be phased in over a period of three years.

- Part of the cost of offering the service should be defrayed by the State if the Center developes and maintains a Union Catalog.

- The "Encouragement Grant to Libraries" designed to develop interest in the Center should be phased out.

- The Center should offer the following services:
    - cataloging only
    - full processing
    - ordering but no processing

- A price structure varying with the amount of service desired should be developed. We suggest 25 to 30 cents for cataloging, $1 for full processing and ordering with no processing to be determined.

III. DATA COLLECTION

An integral part of our survey was a questionnaire sent to all libraries participating in the Orlando Processing Center and a selected group of libraries which do not participate. We had returns from sixteen (16) participating libraries and eleven (11) non-participants.

Seven of the participant libraries named as their first choice operation by a non-profit independent chartered organization; five listed as their first choice operation of the Processing Center by the Florida State Library; two preferred to continue operation by the Orlando Public Library; one said "either the Orlando Public Library or the Florida State Library"; one respondent did not answer the question.

The complete tabulation of this question is as follows:

	First	Second	Third
Operation by Orlando Public Library	2	2	6
Operation by Florida State Library	5	7	
Operation by a non-profit independent chartered organization	7	2	3

It seems evident that a majority of the participants would approve of a change in the basic administrative organization of the Orlando Processing Center.

We also visited 16 public libraries in Florida plus the Florida State Library, again both participants and non-participants. Most of the participants expressed satisfaction with the basic services of the Orlando Processing Center despite their desire to change the administrative control. There were changes which they would like adopted but they considered it more important to keep the Center operating than to disrupt the service by insisting on changes. Several expressed an interest in being included in discussions leading to management or operational changes such as a cost increase. For example, they felt cost analyses should be available to justify a request for a specific cost increase rather than having a request for an increase brought to the group without statistical justification for it. Their problems seem to be those of people anxious to participate in an organization which lacks the means for allowing them to participate.

On the basis of our questionnaire and visits to non-participating libraries, we feel the differences in cataloging including classification are minor when the local output is compared with that of the Center. Although six institutions pointed to variances in cataloging and variances

in classification as reasons for not participating in the Center, we do not feel these variances are as great as many individuals believe. For example, not one of the libraries who does not participate in the Center uses the Library of Congress classification scheme. Ten use the 17th edition of the Dewey Decimal Classification and one uses a combination of the 16th and 17th editions of Dewey.

There are classification numbers which do vary from library to library. In the operation of a processing center it is important to have some basic uniformity and not to attempt to provide classification which will allow for differences in each library's existing scheme.

Some libraries pointed out a need for more sophisticated cataloging than that provided by the Orlando Processing Center. They were not specific as to just what constituted "sophisticated cataloging." Many of the participating libraries expressed the opinion that in some instances the cataloging was too detailed and the number of books which had multi-card cataloging was more than was needed. As a result of these widely differing opinions, it is obvious that this is one area where an advisory group should be able to work with the Processing Center to develop some guidelines for cataloging.

The answers to the question 'What is the main reason why you do not have books processed at the Orlando Center?' are tabulated as follows:

Cost	2
Time factor	2
Variance in cataloging	6
Variance in classification	6
Administrative organization	4
Other:	
Have never investigated using it	1
Have own processing center	1
Not eligible -- not a county system	1

In answering this question, some libraries checked more than one reason which explains why there appears to be answers from more libraries than returned questionnaires.

The Orlando Processing Center, whatever administrative set up it operates under in the future, should become more conscious of the needs

of its users and should develop a public relations program. This would involve an active program of publicity releases explaining procedural changes, needs and services of the Center, as well as personal communication with individual librarians. In the latter case, both personal visits by Center personnel and an understanding of the problems facing individual libraries might serve to make changes appear as suggestions rather than demands.

Several of the libraries which currently do not participate in the Processing Center expressed an interest in doing so if changes in the administrative and management structure were forthcoming. They felt their library could benefit by having some or all of their cataloging and processing handled by another agency. It also seems advisable to investigate the possibility of allowing individual libraries, those not part of a county network, contract for service. We understand the reasons for not allowing this in the past. This service was of sufficient value to entice libraries into joining or forming a county library. We feel that now the time has come to provide services and to encourage participation in these activities by all libraries. The financial encouragement which has been provided for county libraries for the first two years they participated in the Processing Center need not be available to individual libraries.

Our conclusions based on interviews and questionnaires would provide for the continuation of the Processing Center under a different administrative organization with few changes in the actual cataloging and processing of materials but with much greater participation in decision making by the users.

List of libraries visited:

Bradenton
Daytona Beach
Florida State Library
Fort Myers
Gainesville
Jacksonville
Lakeland
Leon County
Melbourne
Miami
Ocala
Orlando
Panama City
Port Charlotte
St. Petersburg
Sarasota
Tallahassee
Tampa
Vero Beach

List of libraries who returned questionnaires:

Participants:

Central Florida Regional Library
Charlotte County Library System
Collier County Free Public Library
Florida State Library
Indian River County Library
Lee County Library
Manatee County Library
Martin County Public Library
Monroe County Public Library
Northwest Regional Library
Okaloosa County Public Library
Orlando Public Library and
Orange County Library System
St. Lucie - Okeechobee Regional
Suwannee River Regional Library
Volusia County Public Libraries
West Florida Regional Library

Non-participants:

Ft. Lauderdale Public Library
Jacksonville Public Library System
Lakeland Public Library
Leon County Public Library
Melbourne Public Library
Miami Public Library
St. Petersburg Public Library
Sarasota Public Library
Tampa Public Library
West Palm Beach Public Library

Counties	State of Florida Estimated Population 1966	1970	1975	1980	Per Capita Support (County) 1965-66
Alachua	88,900	98,800	109,000	122,400	$1.55*
Baker	8,400	8,500	8,600	8,700	.30
Bay	68,300	73,800	80,000	90,000	1.35*
Bradford	13,100	13,300	13,900	14,500	1.55*
Brevard	197,700	211,900	282,100	385,400	1.97
Broward	450,300	520,700	640,800	760,800	1.14
Calhoun	8,300	8,000	8,100	8,200	1.35*
Charlotte	20,600	29,200	39,000	49,000	2.13
Citrus	13,800	17,800	22,800	26,800	1.82*
Clay	22,000	23,000	25,200	35,500	1.50
Collier	28,600	34,200	46,500	70,000	1.79
Columbia	24,600	27,500	27,700	30,000	1.50*
Dade	1,100,000	1,200,000	1,300,000	1,420,000	2.38
DeSoto	13,700	15,700	17,000	18,600	.48
Dixie	5,400	5,000	5,000	4,900	1.50*
Duval	511,600	551,600	605,000	665,000	1.38
Escambia	192,600	213,600	223,000	245,000	.95*
Flagler	5,300	5,700	6,200	6,800	NA
Franklin	7,400	7,400	7,500	7,600	NA
Gadsden	45,000	47,000	50,000	53,000	NA
Gilchrist	3,200	3,000	3,000	3,200	1.50*
Glades	3,700	4,100	4,300	4,500	NA
Gulf	9,600	9,600	9,700	9,800	1.35*
Hamilton	8,000	8,400	8,700	9,000	1.50*
Hardee	14,400	15,200	16,400	16,900	.24
Hendry	12,300	14,500	15,500	16,500	.65
Hernando	13,000	14,600	19,600	26,000	1.35
Hillsborough	451,500	499,000	540,700	600,000	1.26
Holmes	11,500	11,700	12,100	12,800	NA
Indian River	32,200	40,200	50,000	58,000	.94
Jackson	36,000	36,200	38,000	39,000	NA
Jefferson	9,700	9,800	9,900	10,000	NA
Lafayette	3,000	3,000	3,000	3,000	1.50*

* Regional Library System

Counties	State of Florida Estimated Population (cont'd) 1966	1970	1975	1980	Per Capita Support (County) 1965-66
Lake	64,500	72,500	83,500	93,500	$1.26
Lee	76,400	85,500	105,900	126,000	1.27
Leon	85,000	94,000	106,000	120,000	1.76
Levy	12,000	13,600	15,600	17,000	1.82*
Liberty	2,900	2,900	3,000	3,000	NA
Madison	14,800	15,200	15,500	16,000	1.50*
Manatee	80,100	90,900	106,000	130,500	.97
Marion	63,200	71,200	78,700	88,700	1.82*
Martin	22,900	26,200	32,400	42,100	1.54
Monroe	60,600	64,200	78,600	82,700	NA
Nassau	19,300	21,100	24,000	27,000	NA
Okaloosa	79,800	89,600	104,000	118,000	1.16
Okeechobee	9,500	10,000	12,200	15,000	1.06*
Orange	305,500	365,500	455,000	530,000	2.30
Osceola	22,100	26,400	31,700	40,600	.60
Palm Beach	288,900	324,000	390,800	475,700	.77
Pasco	46,900	52,100	60,500	70,500	.72
Pinellas	433,400	481,000	541,000	610,000	1.54
Polk	231,400	254,400	291,400	316,500	.84
Putnam	33,700	36,000	38,200	40,400	.51
St. Johns	32,500	36,900	37,500	40,000	.23
St. Lucie	49,400	53,700	64,000	78,000	1.06*
Santa Rosa	34,900	39,000	45,000	52,000	.95*
Sarasota	95,200	110,300	137,700	175,500	1.27
Seminole	70,000	82,000	100,000	126,000	.36
Sumter	14,500	16,300	18,600	21,900	.11
Suwannee	17,200	17,500	18,100	18,800	1.50*
Taylor	12,700	13,200	13,500	13,800	1.23
Union	6,600	7,000	7,000	7,100	1.55*
Volusia	162,300	186,300	222,500	252,000	1.28
Wakulla	5,700	5,700	5,900	6,000	NA
Walton	15,800	15,900	16,100	16,300	1.35*

* Regional Library System

Counties	State of Florida Estimated Population (cont'd) 1966	1970	1975	1980	Per Capita Support (County) 1965-66
Washington	11,900	11,200	10,600	10,000	1.35*
State	5,941,000	5,503,000	7,552,000	8,648,000	1.49

* Regional Library System

Source: Bureau of Economic and Business Research, College of Business Administration, University of Florida, May, 1967.

The following, we believe, can be determined:

- Florida is facing a substantial population growth particularly on the East Coast between Volusia and Dade Counties and on the West Coast between Charlotte and Collier.

- The per capita support of library effort is almost uniformly too low.

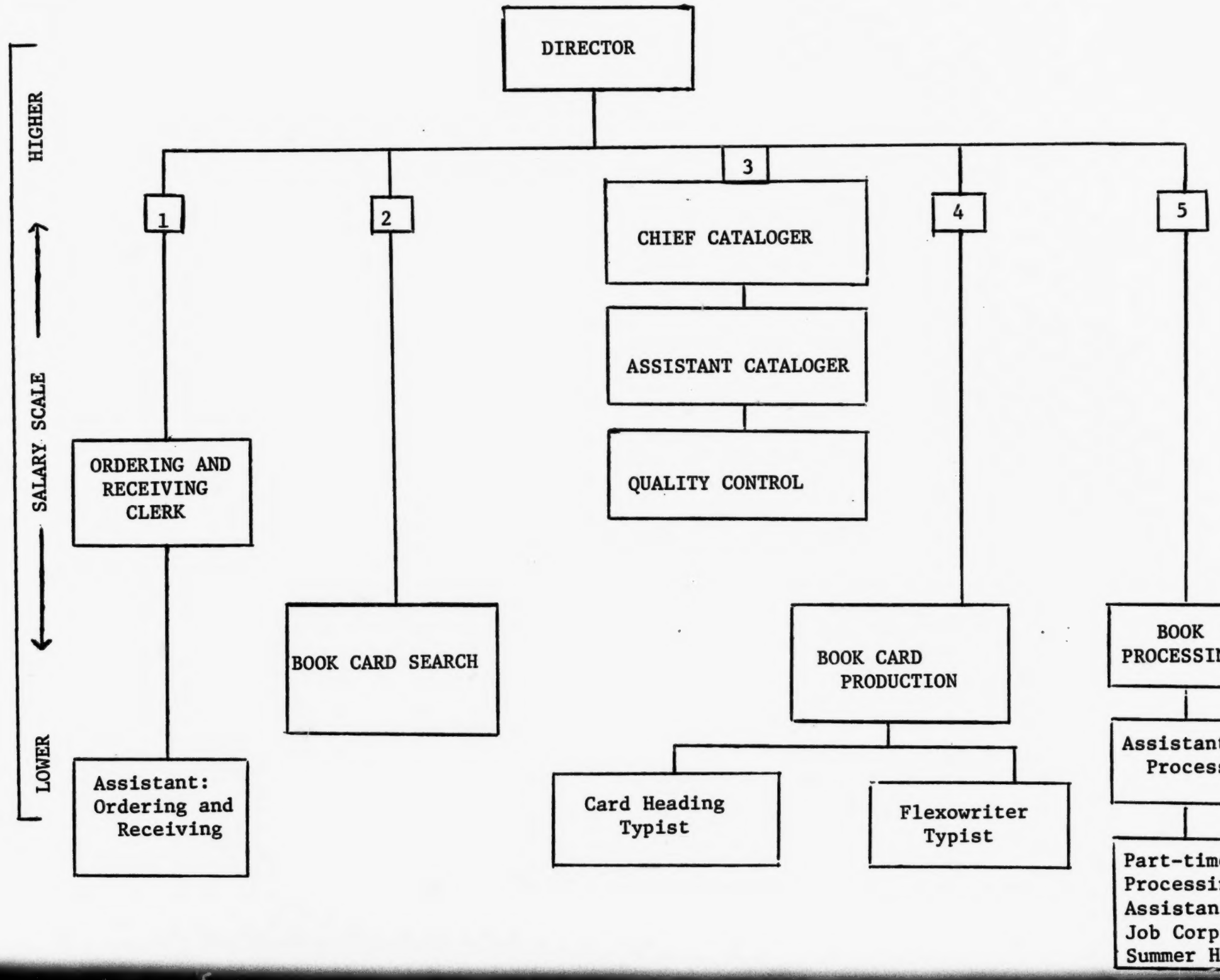
- Professional librarians are in short supply and within libraries are called upon to perform too wide a variety of functions.

- Maintenance of each library's catalog and standardization of cataloging are likely to suffer in the absence of a much larger centralized processsing effort.

FIGURE 1.

ORLANDO BOOK PROCESSING CENTER

PRESENT ORGANIZATION CHART



2

FLOOR PLAN - ORLANDO BOOK PROCESSING CENTER

FORT GATLIN SHOPPING CENTER

Scale: 1 ft. = 1/10"

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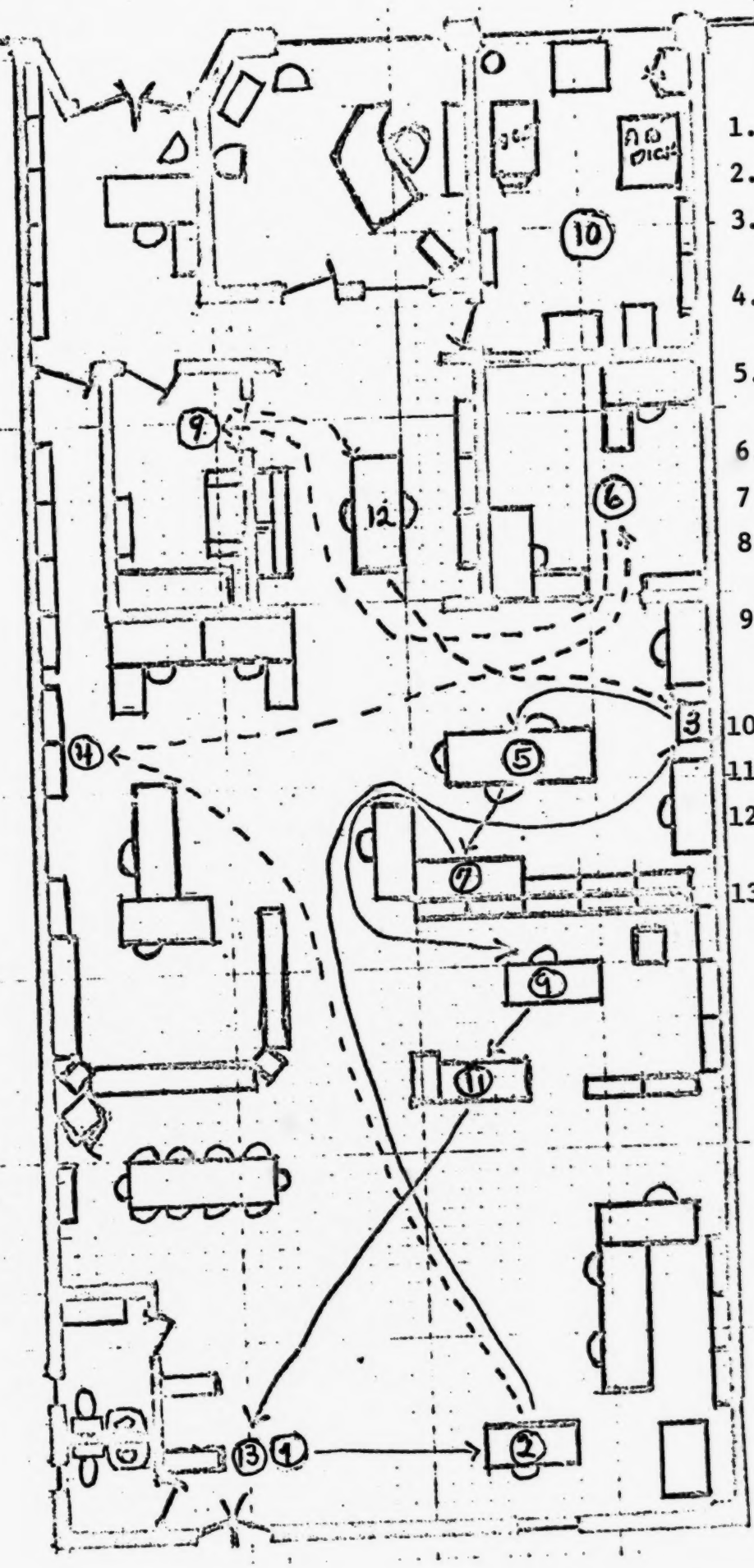


Plan of Book Flow

1. Receiving
2. Book Check-In
3. Production Processing - Spine Labels
4. Storage of Books Waiting to be Cataloged
5. Production - Plastic Covers
6. Cataloging
7. Production - Book Pocket
8. Flexowriter - Card Production
9. Checking of Processed Books and Sorting for Shipment to Customers
10. Print Shop
11. Packing
12. Cards Matched with Order Slips
13. Shipping

---- Flow of Uncataloged Books

—— Flow of Cataloged Books

IV. ANALYSIS OF THE ORLANDO BOOK PROCESSING CENTER AND ITS OPERATIONS

The Orlando Book Processing Center is housed in approximately 3,000 square feet of rented ground floor space at a suburban Orlando shopping center. Currently, the Center is processing books for 18 participating libraries at an average annual rate of 120,000 volumes. Our overall judgment of the Processing Center is that it is operated at a high level of efficiency and that for the type and size of center it has been planned to be, only minor improvements in processing methods can be suggested.

At present, the Book Processing Center has a full-time staff of 14 persons including the Director, Mrs. Kathleen Riech. During the months of peak demand, additional part-time processing work is performed by Job Corps and summer job assistants.

As shown in Figure 1, attached, staff assignments are divided into five principal functional areas:

- ordering and receiving
- book-card search
- cataloging
- book-card production
- book processing

The position of each job description on the chart, as shown on the left-hand scale, is roughly indicative of the relative salary levels assigned to each production task.

In Figure 2, we have drawn a plan of the flow of books as they are processed at the Orlando Center. The books are received at the point marked 1, checked in at the point marked 2, processed at points 3, 5 and 7, verified at point 9, packed at point 11, and shipped at point 13. Books which have not been cataloged before they are received are moved through the additional steps indicated by the dotted lines before rejoining the flow of cataloged books at point 3.

This plan of work flow permits the Center to operate at nearly peak efficiency for the very limited clientele it now serves. The very high level of productivity which has evolved can be credited largely to the excellent personnel relationships which have been developed under the Director's leadership. There are a few changes in the work flow which could be expected to produce minor improvements in overall eficiency.

As a first priority, we would recommend that an additional clerk or clerks be added to the book-card production function in order to assure that cards for all, or nearly all, books on order are produced before the books are received from the jobber. Currently, orders are mailed to the principal jobber on Fridays. The order is generally received three and one-half weeks later on a Tuesday. The majority of these books are shipped to the participating libraries on Friday of the same week, i.e., the fourth week. From the time the customer mails his order to the Book Processing Center to the time the customer receives the book from the Center, at least five weeks have elapsed.

Books are currently shipped from Boston to Orlando via ocean-going truck containers, with trans-shipment at Jacksonville. This method of shipment has the advantage of very low cost but is also the most time-consuming of the available alternatives. The jobber has offered to ship all orders to Orlando by expedited truck at no additional cost to the Processing Center. This would reduce transit time, and consequently total processing time, by at least a week, and perhaps two weeks. (This has been done between the visit to the Center and the issuance of the report.)

To date, the in-book processing center has declined to make use of expedited truck freight because, under present staffing restrictions, the staff is unable to prepare book cards for an order in less than three weeks and, therefore, is unable to make immediate use of orders which were received from the jobber in less than three weeks. We recommend that as many book card clerks as are necessary be added so that book cards can be prepared in advance for all orders, even when the jobber makes use of expedited truck shipments. These two changes will have the effect of reducing the average processing time by at least one, and perhaps two, weeks.

Third, the minor improvements in efficiency could be achieved by moving the production area (5) to the verification area (9) and vice versa. This would have the advantage of reducing, somewhat, the distance over which pre-cataloged books travel by concentrating receiving, production, and shipping in one area. However, because of the very valuable staff interrelationships which have been developed among the present personnel, the benefits of this proposed change should be weighed very carefully to determine the possible effects on present staff working relationships. In our opinion, the desirability of this change for implementation eventually should be borne in mind, but it should be deferred until such time as it can be conveniently incorporated with another change, such as remodeling, or moving to new quarters.

Fourth, a small improvement in efficiency could be gained by rearranging the production area so as to eliminate the present lifting of books from the book jacketing table to the table where the book pockets are glued. We would suggest that the present standing height table where the Pot-Devin glue machine is located be replaced by a new table of the standard 30-inch height and that this new table be relocated at the end of,

and at a right angle to, the book jacketing table so that the two tables form a "T". With the present staff of two men in the production area, the efficiencies to be gained from this change will be minor. However, with increased production, especially when several part-time helpers are working in the production area, the efficiency to be gained from concentrating jacketing and gluing at the same table on a production line basis is considerable. Since the present production staff evidently prefer the present arrangement, using two separate tables, despite the added lifting involved, we would recommend no change at this time. When volume increases and pressure develops, these changes should then become useful to all concerned.

While the production modifications suggested in steps 3 and 4 can be deferred until an appropriate time, the addition of clerks (step 1) and changeover to a more rapid means of shipment (step 2) should be instituted as soon as budget permits.

Finally, we would suggest that the Book Processing Center experiment with alternative methods of shipping their finished product to the participating libraries, to permit comparison of alternative methods with their present method of shipment. Currently, the Processing Center assembles its shipments once each week on Friday and the sealed cartons, usually numbering just under 20, are picked up by an Orlando Public Library truck and delivered to the sectional center post office in Orlando. The Book Processing Center is assessed a charge of $50 monthly by the Orlando Public Library for this delivery service.

Better service to the customers might be provided at little or no incremental cost by adopting a cycle shipping plan. Instead of storing processed books on shelves for shipment on Fridays, it might be preferable to ship to one-fifth of the Center's customers on each day of the week. Using a cycle and volume shipping approach, with the current customers, the Center would ship each day to the four customers who have accumulated the largest number of processed books on hand. When a customer's books have not been shipped for five days, however, his shipment would move to the top of the list regardless of the number of books on hand. In this manner, the Processing Center would reduce the delay in forwarding books to its customers, and could account for fluctuations in the sizes of the orders, based on variations in demand, from library to library.

While the low cost book rate and the reliability of post office service make the U.S. mail an advantageous means of shipping processed books to the participating libraries, it would be worth while for the Processing Center to experiment with alternative means of shipment, so that cost and time comparisons can be made. For example, the Orlando Sentinel Star operates a trucking subsidiary, Jack Rabbit Express, offering overnight service from Orlando to a number of central Florida communities. Among these are Gainesville, Ocala, and Daytona Beach whose libraries use the Processing Center. In order to gather data on the cost and reliability of shipping by Jack Rabbit Express, it would be worthwhile to arrange shipment by this mode to these three member libraries for a trial period. If the cycle shipping method, outlined above, is adopted, then on one day a week, instead of delivering to the Post Office, the order for these three libraries could be delivered to Jack Rabbit Express. A trial period of three months would be useful and as the result of experience gained, long-range decisions could be made.

A. PRESENT ORDERING PROCEDURE

A five-part pre-printed manifold order form is used. Each library receives approximately a year's supply once a year, with their name and address imprinted on each sheet.

The use made of each of the five parts of the form is as follows:

WHITE FORM:
- Mailed to jobber or publisher. Not returned except in the case of a cancellation from the jobber.

YELLOW FORM:
- Sent to searching to be used as work slip.
- If cards are on hand in overrun, yellow cards are bundled and sent to typist who does book card and pocket.
- Returned to receiving where it is matched with pink and green.
- When book arrives, yellow slip is placed in book, and remains in book through processing to revision where it is then discarded.
- If book is uncataloged, it is searched through LC proof sheets. Then cataloger uses yellow to make up original catalog cards.

PINK FORM:
- Held in on-order file until matched with book as order is checked in.
- Sent with book through processing.

- Detached from book at time of packing and forwarded to Orlando for use in billing.

GREEN FORM:

- Held in on-order file until matched with the book.
- Sent with book through processing and remains with book as it is sent to member library.
- In the event of a re-order, sent to new jobber. Then the yellow, instead of being destroyed is sent to the member.

BUFF FORM:

- Retained by member library as its record prior to mailing remaining copies of order forms to Book Processing Center.

The plan of work flow, which the order forms follow, is shown in Figure 3. Within the constraints of the present work area, this flow of work is highly efficient. Since movement of the order slips from one work station to the next is only a very small portion of the total work expended, no change in these procedures is recommended.

B. FINANCIAL MANAGEMENT

In contrast to our conclusion that only minor improvements in the work flow of the Book Processing Center need be suggested, our analysis of the financial management of the Orlando Book Processing Center shows several major flaws which, if left uncorrected, might expose the administrators of the Center to criticism in future years. These flaws are important because of their long-term implications, affecting pricing, services offered and other management decisions. The two flaws we are most concerned with are the depreciation expense and the administration fee.

The Orlando Book Processing Center is administered by the Director of the Albertson Public Library (Orlando) under a contract between the Public Library Board of Orlando and the State Library Board of Florida dated November 30, 1961, and amended July 1, 1965. In general, the terms of the contract provide that the Orlando Public Library Board will administer the Book Processing Center in return for possession of the furniture and fixtures of the Center five years after their acquisition by the Book Processing Center. To provide for the capital funding necessary to set up the Center, the State Library Board has advanced capital grants totalling $31,500, of which $28,000 has been expended for capital equipment and the remainder for reference books necessary to the operation of the Book Processing Center. Copies of the original 1961 contract and the 1965 amendment are attached to this memorandum.

AGREEMENT TO ESTABLISH A CENTER FOR THE PURCHASING, CATALOGING, AND PROCESSING OF BOOKS

Under the terms of this contract, made and entered into this 30th day of November, 1961, between the Albertson Public Library Board of Orlando, Florida, and the State Library Board, State of Florida, it is agreed that:

1. The Albertson Public Library Board will:

   a. Establish and administer a center for the purchasing, cataloging, and processing of books for county and regional public libraries in Florida.

   b. Give priority in service to those county and regional library systems with which the State Library Board has contracted to assume part of the costs of participating in the center, as provided in the State Plan for Further Extension of Library Service to Rural Areas.

   c. File with the State Library Board an inventory of all non-expendable equipment purchased with funds provided by the State Library Board under the terms of this contract.

2. The State Library Board will provide the sum of $22,500, of which $17,500 will be paid as soon as possible after the signing of this contract, and the remaining $5,000 one year thereafter, for the purchase of equipment, supplies, and materials for the establishment and operation of said center.

3. If the Albertson Public Library Board decides to discontinue operation of said center before the expiration of five years from the date of this contract, it will give the State Library Board at least six months' notice of said intention prior to closing the center, and will, upon request of the State Library Board, transfer the non-expendable equipment purchased under the terms of this contract to another center for the same purpose.

4. The Albertson Public Library Board will become sole owner of all said non-expendable equipment if it continues to operate the center for five years from the date of this contract.

In witness thereof, the State Library Board and the Albertsnn Public Library Board have executed this contract this 30th day of November, 1961.

Clara E. Wendel

Chairman, Albertson Public Library Board

Vivian Mistendick

Dorothy Dodd

Secretary, State Library Board

EQUIPMENT CONTRACT

BETWEEN THE

ALBERTSON PUBLIC LIBRARY OF ORLANDO AND THE

STATE LIBRARY AND HISTORICAL COMMISSION

Under the terms of this contract, made and entered into this 1st day of July, 1965, between the Albertson Public Library Board of Orlando Florida and the State Library and Historical Commission of Florida, it is agreed that:

1. The Albertson Public Library Board will:

   a. Continue to administer a center for the purchasing, cataloging and processing of books for county and regional public libraries in Florida.

   b. Give priority in service to those county and regional library systems which the State Library and Historical Commission agrees to subsidize under the State Plan for Further Extension of Library Service.

   c. File with the State Library and Historical Commission an inventory of all equipment purchased with funds provided by the Commission under the terms of this contract.

   d. Give six months' notice to the Commission if the Board should decide to discontinue operation of the Center before the expiration of this contract three years hence.

   e. Transfer the equipment purchased under the terms of this contract to another Center if the operation of this Center is discontinued before this contract expires.

2. The State Library and Historical Commission will:

   a. Provide the sum of $9,000, for the purchase of equipment, as soon as possible after this contract is executed.

   b. Transfer ownership of this property to the Albertson Public Library Board if it continues to operate the Center for three years from the date of this contract.

In witness thereof, the State Library and Historical Commission and the Albertson Public Library Board have executed this contract this 1st day of July, 1965.

John N. Lewis — C. Hunt Kendall
Chairman, Albertson Public Library Board

Verna Distendirk — Dorothy Dodd
Secretary, State Library and Historical Commission

In order to permit ready comparison of the principal accounting changes which are needed to protect the processing center from encountering unforeseen financial difficulties in future years, we have summarized the processing center's financial statement into four principal tables:

Figure 3 -- Pro Forma Schedule of Depreciation
Figure 4 -- Condensed Statement of Sources and Uses of Funds
Figure 5 -- Condensed Statement of Assets and Liabilities
Figure 6 -- Comparison of Costs and Revenues from Book Processing

Under the contract presently in force, the Orlando Public Library is not provided with remuneration in return for its management of the Book Processing Center, except for its right to claim possession of all furniture and equipment purchased under the capital grant from the State Library Board at the expiration of five years. If the Orlando Public Library had interpreted the contract as it was written, with the accounting procedures presently in force, the Book Processing Center would have found itself totally stripped of equipment, and devoid of the original equity provided by the State Library Board grant. In fact, the Orlando Public Library has not, as yet, exercised its claim on the equipment of the Book Processing Center, but it has chosen to charge administration fees, totaling $25,000, during the first six years of the operation of the Book Processing Center.

The fact that the Orlando Public Library has not taken possession of Book Processing Center equipment which, under the contract could now be the property of the Orlando Public Library, alters only slightly the fiscal plight of the Book Processing Center, at least under present accounting arrangements. The principal problem which has evolved in accounting for the true cost of book processing to the patrons of the Book Processing Center has been its inability to set up a depreciation account to reflect the obsolescence, and, therefore, declining value, of the capital equipment of the Center. This means that the actual cash value of the Processing Center's equipment has been steadily declining. The illusion of a very low processing cost per book is only partially true while supported by the fact that the Center has been consuming its capital assets with little or no prospect of being able to replace them.

While it might be acceptable accounting practice for a family-run business to ignore the effect of depreciation on the value of its assets, a non-profit service such as the Book Processing Center should be managed as conservatively as possible so as to assure continuity and minimize the risk of the participants. If actual depreciation expenses prove to be less than anticipated, so that unreasonably large surpluses build up, then the Book Processing Center would have the option of declaring a dividend to the members by distributing a portion of the surplus on the basis of the members' volume of orders to the Processing Center. It is always much easier to distribute a surplus than recover from a deficit. It is understood that municipal accounting regulations often preclude establishment of reserves for depreciation. Ways should be found to clear this hurdle because such a reserve is both justified and needed.

In the case of the type of machinery, furniture and fixtures used by the book processing center, obsolescence can be fairly rapid. This means

Figure 3

ORLANDO BOOK PROCESSING C

PRO FORMA SCHEDULE OF DEPRE

(Sum of the Years' Digits

		Fiscal Year Ending October 1962	1963	1964	1965	1966	1967
Capital Purchases This Year		10,319	707	53	13,341	7,827	123
Depreciation Expense For:	1962	1,857					
	1963	1,651	127				
	1964	1,548	113	10			
	1965	1,341	106	8	2,401		
	1966	1,135	92	8	2,135	1,409	
	1967	929	78	7	2,001	1,252	22
	1968	722	64	6	1,734	1,174	20
	1969	516	49	5	1,468	1,018	18
	1970	413	35	4	1,201	861	16
	1971	206	28	3	934	704	14
	1972		14	2	667	548	11
	1973			1	534	391	9
	1974				267	313	6
	1975					157	5
	1976						2

* Press (bought in 1960), deleted from depreciation reserve.

** Capital purchases for 1966 plus 1965 Book Value of Equipment minus difference between 1965 an 1966 Reserve for Depreciation.

IDO BOOK PROCESSING CENTER

RMA SCHEDULE OF DEPRECIATION
of the Years' Digits Method)

1966	1967	Expense For Depreciation For Each Year	Year End Reserve For Depreciation	Book Value of Capital Equipment	Capital Equipment Cost Basis
7,827	123				
		1,857	1,857	8,462	10,319
		1,778	3,635	7,391	11,027
		1,671	5,306	5,773	11,060
		3,856	9,162	15,258	24,401
1,409		4,779	9,751*	22,496**	28,106
1,252	22	4,289	14,040	18,330	28,229
1,174	20	3,720	17,760		
1,018	18	3,074	20,834		
861	16	2,530	23,364		
704	14	1,889	25,253		
548	11	1,242			
391	9	935			
313	6	586			
157	5	162			
	2	2			

nce between 1965 and

Figure 4

ORLANDO BOOK PROCESSING CENTER

CONDENSED STATEMENT OF SOURCES AND USES OF FUNDS

ACTUAL

AS REPORTED IN ANNUAL AUDITS

	FY Ending Oct. 1962	1963	1964	1965	1966	1967
Opening Balance	00	(710)	2,680	1,760	7,400	(1,840)
Revenues: Processing	29,920	52,220	50,460	85,100	94,120	94,120
Grant from State Library Board	17,500	5,000	0	9,000	0	0
Total Revenue	47,420	57,220	50,460	94,100	94,120	94,120
Expenses:						
Personnel - Salaries & Wages	19,600	30,210	31,400	45,620	58,850	60,150
Payroll Taxes	490	1,100	1,130	1,520	2,630	2,620
Pension & Insurance	190	400	660	1,350	2,000	1,530
Subtotal	20,280	31,710	33,190	48,490	63,480	64,300
Operating - Production Supplies	7,160	10,030	7,230	13,110	16,090	12,600
Rent	1,980	3,010	3,000	2,700	2,650	3,000
Postage	470	890	640	1,490	1,290	1,570
Electricity	700	1,090	980	1,030	1,620	1,350
Janitorial Contract	240	470	470	520	670	780
Maintenance & Repair	240	450	260	710	680	820
Insurance	130	170	220	330	650	640
Other	1,280	1,060	1,010	1,500	1,890	800
Administration Charge	2,600	3,000	3,000	4,600	6,000	6,000
Delivery Charge						600
Interest	20	30	0	0	0	50
Subtotal	14,820	20,200	16,810	25,990	31,540	28,210
Capital - Equipment	10,320	710	50	13,340	7,830	120
Reference Books	2,710	1,210	460	640	510	650
Subtotal - Capital Expense	13,030	1,920	510	13,980	8,340	770
Depreciation Expense						
Total Expense	48,130	53,830	50,510	88,460	103,360	93,280
Excess of Revenue over Expense	(710)	3,390	(50)	5,640	(9,240)	840
Closing Balance - October 31	(710)	2,680	1,760*	7,400	(1,840)	(1,000)

*Adjusted figure, for details see "Book Processing Center Report of Audit, October 31, 1964", Balance Sheet

ORLANDO BOOK PROCESSING CENTER

CONDENSED STATEMENT OF SOURCES AND USES OF FUNDS

PRO FORMA

AS RECOMMENDED FOR ADOPTION

66	1967	FY Ending Oct. 1962	1963	1964	1965	1966	1967
400	(1,840)	00	(2,567)	(955)	(2,676)	(892)	(14,911)
120	94,120	29,920	52,220	50,460	85,100	94,120	94,120
0	0	17,500	5,000	0	9,000	0	0
120	94,120	47,430	57,220	50,460	94,100	94,120	94,120
850	60,150	19,600	30,210	31,400	45,620	58,850	60,150
630	2,620	490	1,100	1,130	1,520	2,630	2,620
000	1,530	190	400	660	1,350	2,000	1,530
480	64,300	20,280	31,710	33,190	48,490	63,480	64,300
090	12,600	7,160	10,030	7,230	13,110	16,090	12,600
650	3,000	1,980	3,010	3,000	2,700	2,650	3,000
290	1,570	470	890	640	1,490	1,290	1,570
620	1,350	700	1,090	980	1,030	1,620	1,350
670	780	240	470	470	520	670	780
680	820	240	450	260	710	680	820
650	640	130	170	220	330	650	640
890	800	1,280	1,060	1,010	1,500	1,890	800
000	6,000	2,600	3,000	3,000	4,600	6,000	6,000
	600						600
0	50	20	30	0	0	0	50
1,540	28,210	14,870	20,650	16,810	25,990	31,540	28,210
7,830	120	10,320	710	50	13,340	7,830	120
510	650	2,710	1,210	460	640	510	650
8,340	770	13,030	1,920	510	13,980	8,340	770
		1,857	1,778	1,671	3,856	4,779	4,289
3,360	93,280	49,987	55,608	52,181	92,316	108,139	97,569
(9,240)	840	(2,567)	1,612	(1,721)	1,784	(14,019)	(3,449)
(1,840)	(1,000)	(2,567)	(955)	(2,676)	(892)	(14,911)	(18,360)

gure 5

ORLANDO BOOK PROCESSING CENTER

CONDENSED STATEMENT OF ASSETS AND LIABILITIES

ACTUAL

AS REPORTED IN ANNUAL AUDITS

	FY Ending Oct. 1962	1963	1964	1965	1966	1967
SSETS:						
Cash on Hand	10	10	10	10	10	10
Accounts Receivable	4,809	5,139	4,694	11,646	11,508	7,612
Prepaid Interest	36	7				
Book Value of Capital Equipment						
Total Assets	4,855	5,156	4,704	11,656	11,518	7,622
IABILITIES:						
Accounts Payable	5,565	2,476	2,946	4,252	13,357	8,620
Reserve for Depreciation						
QUITY:	(710)	2,680	1,758	7,404	(1,839)	(998)
Total Liabilities	4,855	5,156	4,704	11,656	11,518	7,622

ORLANDO BOOK PROCESSING CENTER

CONDENSED STATEMENT OF ASSETS AND LIABILITIES

PRO FORMA

AS RECOMMENDED FOR ADOPTION

1966	1967	FY Ending Oct. 1962	1963	1964	1965	1966	1967
		10	10	10	10	10	10
10	10	4,809	5,139	4,694	11,646	11,508	7,612
11,508	7,612	36	7	0	0	0	0
		8,462	7,391	5,773	15,258	22,496	18,330
		13,317	12,547	10,477	26,914	34,014	25,952
11,518	7,622						
		5,565	2,476	2,946	4,252	13,357	8,620
13,357	8,620	1,857	3,635	5,306	9,162	9,751	14,040
		5,895	6,436	2,225	13,500	10,906	3,292
(1,839)	(998)	13,317	12,547	10,477	26,914	34,014	25,952
11,518	7,622						

Figure 6

ORLANDO BOOK PROCESSING CENTER
COMPARISON OF COST AND REVENUES FROM BOOK PROCESSING

Years	# Books	Revenue	Average Revenue per Book	Cost of Processing Excluding Furniture & Fixtures**	Cost/ Book Capital Excluded	Cost Including Capital Expenditures Cash Basis	Cost/ Book Capital Included	Cost Including Capital Expenditures Accrual Basis	Cost/ Book Depreciation Included
1962	39900	29920	.75	37810	.95	48130	1.21	49987	1.25
1963	69242	52220	.75	53120	.77	53830	.78	55608	.80
1964	63079	50460	.80	50460	.80	50510	.80	52181	.83
1965	106381	85100	.80	75120	.71	88460	.83	92316	.87
1966	117651	94120	.80	95530	.81	103360	.88	108139	.92
1967	117241	94120	.80*	93160	.79	93280	.80	97569	.83
Six Year Totals	513494	405940	.79	405200	.79	437570	.85	455800	.89

*Yearly average is .8028 - Price was raised from .80 to .85 in Sept. 1967

**State Grants totaling $31,500 expended for this purpose

that the Center should select a depreciation method which will permit it to take advantage of technological improvements by updating its equipment whenever necessary. For the layman, the depreciation of the book processing center's equipment is much like that of the depreciation of a new car where much of the loss in value occurs over the first three years, while the car continues to have a useful life for up to ten years. In this case, we would recommend using the sum of the years' digits method of depreciation over a ten-year period. Ten years represents our estimate of the average useful life of the equipment used by the Processing Center. Some of the more sophisticated machinery, such as the Flexowriter typewriters will have a shorter life; other equipment, such as furniture, will have a longer life. The ten year depreciation period would appear to be a good starting point and it can be adjusted as experience with the life of the Processing Center's equipment is developed.

In Appendix A, we have summarized the way in which the sum of the years digits method of depreciation capital assets is calculated. For a ten-year period, the digits from one to ten are summed. The total in this case is fifty-five. The depreciation apportioned for each year is "n" fifty-fifths of the total where "n" is the number of years left to run in the life of the equipment. Thus, in the first year, 10 fifty-fifths or 18% of the purchase value of the equipment is apportioned to the depreciation account. In the next year, 9 fifty-fifths of the value is depreciated, etc.. By this method, roughly 75% of the value is depreciated over the first 5 years and 25% of the value depreciated in the last 5 years, reflecting the accelerated loss in value of machinery in the first few years after its purchase. If the Orlando Public Library had set up the charter accounts of the Orlando Book Processing Center, using the sum of the years digits method of depreciating capital assets, the cost of the Center stemming from the declining value of capital assets would have been reflected in the Center's charges to participating libraries and appropriate funds would have been set aside for replacement equipment. After five years, the depreciation reserve accumulated would have permitted the purchase of new equipment to replace items which either wore out or were claimed by the Orlando Public Library.

In Figure 3, we have set up a pro forma schedule of depreciation for the Orlando Book Processing Center based on the capital purchases of the Processing Center for the fiscal years from 1962 through 1967 inclusive. Over the period of time, the Book Processing Center has purchased a total of $28,000 of capital equipment. The Book Processing Center has spent an additional $6,000 for the purchase of reference books which are not shown in the inventory of non-expendable equipment which is furnished to the State Library Board under the terms of their contract with the Orlando Public Library. It is perhaps appropriate to treat the purchase of reference books on a different depreciation basis if it is, in fact, true that library reference materials retain their usefulness over a period of more than ten years. Since this is the basis on which the Orlando Public Library has prepared the accounts for the book Processing Center, we have followed this approach for the sake of consistency.

APPENDIX A

SUMMARY OF
SUM OF THE YEARS' DIGITS
METHOD OF DEPRECIATING CAPITAL ASSETS

Year	Years To Run	Depreciation Apportioned For Each Year	Percent of Total
1	10	10/55	18
2	9	9/55	16
3	8	8/55	15
4	7	7/55	13
5	6	6/55	11
6	5	5/55	9
7	4	4/55	7
8	3	3/55	5
9	2	2/55	4
10	1	1/55	2
Sum of the Years' Digits:	55		100

Figure 3 shows the expense for depreciation which would have accrued each year to the expense side of the ledger had the Book Processing Center used the sum of the years digits method of depreciation. On this basis, at the end of fiscal year 1967, $14,000 would have been accumulated in the reserve for depreciation, while the book value of capital equipment then on hand would have been $18,000 after depreciation, compared with the original cost of $28,000. That is, using this method of depreciation, had the Orlando Public Library reclaimed the equipment of the Processing Center as provided for under terms of the contract, the Processing Center would have accumulated a cash reserve nearly sufficient to provide for replacement of its equipment with used equipment in similar condition.

Figure 4 presents a comparison of the statement of sources and uses funds of the Orlando Book Processing Center showing the impact of the suggested method of depreciation accounting on the financial status of the Center. The left-hand side of the table summarizes the actual statement of sources and uses funds as reported in the annual audits. This account shows that the modest surplus, which accumulated from 1962 through 1965, was expended for capital equipment, chiefly a new printing press, in 1966 with the result that modest deficits were carried forward in 1966 and 1967. On this basis, the Book Processing Center appears to be just about breaking even. But, this approach denies the fact that the Center's processing equipment is becoming obsolete while its equity funding has been exhausted by capital purchases. Under the present accounting system, the Processing Center will continue to be dependent upon periodic injections of cash from the State Library Board to replace the original grant which is being used up rather than being replaced and maintained.

The right-hand side of Figure 4 shows the pro forma statement of sources and uses of funds as suggested for adoption by the Book Processing Center. The impact of correct depreciation accounting is to increase to $18,000 the deficit of the Book Processing Center at the end of fiscal year 1967. The fact that there is not a cash deficit of $18,000 is explained by the fact that the Book Processing Center has used up its original cash grant from the State Library Board. The Center now finds itself in the unenviable position of having depleted its cash reserves to the point that, unless immediate corrective action is taken, it will be unable to make needed replacements to its equipment and furniture over the next few years.

Figure 5 compares the actual balance sheet of the Book Processing Center, as reported in the annual audits, with the pro forma balance sheets recommended for adoption. Adding the depreciated book value of capital equipment to the assets of the Center is appropriate since the book value represents approximately the value which could be recovered in a used equipment sale. This raises the assets of the Center at the close of fiscal year 1967 by $18,000. Similarly, adding the reserve for depreciation to the liability side of the balance sheet increases total liabilities by $14,000. In addition, the Processing Center's equity, instead of showing

a deficit of $1,000 shows a surplus of $3,000 which would represent a portion of the original capital grant as yet not transferred to capital equipment.

The impact of the accounting methods suggested on the care of book cost of book processing is compared in Figure 6. Over the six year period from 1962 through 1967, the Center has processed a total of 500,000 books at an average cost revenue of 79 cents per book. Under the present accounting methods with capital cost excluded, the cost of book processing has been an identical 79 cents per book. However, it should be recognized that the processing charge per book has been adjusted periodically so as to place the Center on a break even basis following the accounting system currently in force.

If one includes the capital costs of the Book Processing Center by adding to the annual expense item, the value of capital expenditures in that year, the average cost per book over the six year period rises to 85 cents. If one includes, in addition, the recommended charges to a depreciation account, the cost per book rises to 89 cents. This latter figure more nearly reflects the actual book processing costs which have accrued during the operation of the center. The current book processing charge is 85 cents per book and after the accounts have been readjusted as recommended, it will probably be possible to maintain the book processing charge at 85 cents, at least for an interim period.

In order to place the finances of the Book Processing Center on a more sound accounting basis, we would recommend that the Book Processing Center retain the services of a certified public accountant to assist in the setting up of a new chart of accounts incorporating the changes recommended above. Initially, the accountant's services would be needed for a brief but intensive period in order to work out the details of these changes. Once the new accounts have been established, the accountant should be retained to work with the Director of the Center on one day a month to review the accounts. This will give the accountant an opportunity to make recommendations and to verify that the accounts are being handled in a business-like manner.

It is our opinion that the administration charge which has been assessed is within the scope of the contract with the State Library Board. It has, on one hand, served to reduce the net cost of book processing to the Orlando Public Library by transfering costs of the Orlando Public Library to an account which is paid for by the 18 participating libraries using the Center. On the other hand, costs have been incurred by Orlando Public Library for which conceivably substantially depreciated equipment cannot be considered adequate repayment. This blurred business relationship is poor at best and has succeeded only through the patience and good will of all concerned. It is obvious to us that the activities of the Center and the Orlando Public Library should be divorced.

The handling of insurance coverage is another factor which should be given a closer look. Currently, the capital equipment at the Processing Center, which has a book value of $18,000, is covered by only $5,000 or $6,000 of insurance against fire and theft. Were a loss to occur, this coverage would not be sufficient to permit replacement of the Center's equipment. Coverage should be reviewed annually to see that this principle has been maintained. By choosing insurance coverage with a fairly high deductible, say $1,000, the premium even for increased coverage can be quite reasonable. This will mean that the Center will be self-insured for losses of less than $1,000 but will have full coverage in the event of a total loss.

All of the above comments tend to point to the inevitable conflicts which must arise from an administrative arrangement whereby a service Center is managed by one of its customers. There is a temptation on the part of other customers to view charges made against the Processing Center as being assessed to improve the customer's own budgetary position. This possibility is real and should not be ignored. In fairness to all parties concerned, the present contract between the State Library Board and the Orlando Public Library for the operation of the Book Processing Center should be terminated at the end of the current fiscal year. The Orlando Public Library has performed a valuable service in overseeing the establishment and growth of the Processing Center. But, under the present circumstances, it would be much wiser to end the dependence of the Book Processing Center on one library by reorganizing the Center as a non-profit corporation, managed as an independent entity. One possible approach if the size and goals of the Center were to remain similar to the present situation would be to name one representative from each participating library to a board of directors. The board of directors would, in turn, chose an executive committee of three or four persons with experience in administration and in library procedure. The administrative committee would then meet as required to make policy decisions and to set guidelines to be carried out by the Director. Financial control would be maintained by the accountant retained by the Processing Center. Issuance of paychecks and other routine payroll accounting service. For a modest fee, a bank such as the First National Bank of Orlando can issue all paychecks and maintain the accounts for review each month by the accountant. This bookkeeping function could probably be handled by one of the additional processing clerks which we recommended and should be added to the staff of the Processing Center to expedite the preparation of cards for books on order.

The equipment, we feel, should become the property of the Processing Center and title to it should be deeded from the Orlando Public Library to the Center. Orlando Public has served the Center well, has been paid an administrative fee totalling $25,000 over a six-year period (no provision for this was provided in the original contract) and has been served well by the Center. A major portion of the value of the equipment has been eroded by depreciation. We recommend that the Orlando Public Library and the State Library balance off the $25,000 in payments plus one dollar for Orlando Public Library's transfer rights against the Center's

equipment which is depreciating and become the property of the center. Hair splitting at this point would serve no useful end -- the equipment is worth little to the Orlando Public Library. The Center for which it was always intended requires it. Considering all the ethics involved, we cannot see how Orlando Public or the Center would lose anything if the transfer were handled as outlined. We recommend that consultations be begun at once between the State Library Board and the Orlando Public Library so as to permit an orderly transition to the new system of management and accounting not later than November 1, 1968.

A major part of the study calls for evaluating the options available to the Center and the State including broadening the service base and coping with the problems of increasing size, if that is the direction the center should move. The internal study of the center hopefully will serve two purposes to improve the service if the center retains the same service base and to better cope with growth if it does occur.

The analysis of the Center was conducted under existing ground rules. Suggestions regarding changes in procedures were made in this section as if the Center were to continue operating on about the same scale as is presently the case. It has provided answers, we hope, on how perhaps to do the present task better. The next sections analyze the potential for growth and how this might affect the Center if substantial growth is recognized. Under any set of circumstances, we recommend a change in administrative control.

V. POTENTIAL FOR GROWTH - ALTERNATIVES

The present Center is operating about as efficiently as can be expected of it. Most recommended changes are relatively minor in importance. We do recommend that the Center be separated from the administrative control of the Orlando Public Library and that it operate as an extension unit of the State Library or be incorporated as a separate organization reporting to a board of trustees.

The Center as constituted is handling a work load of approximately 120,000 volumes annually. It is essentially a hand operation with only minor conventional mechanization such as pasting machines, etc., in evidence. Using the same equipment and the work processes in effect, it could probably cope with twice the present work load. Beyond that point, however, mass production techniques and an appropriate level of mechanization should be called in to play.

It should be noted, however, that we believe it likely that a 500,000 volume output can and should be reached within a three-year period. A complicating factor is that the practice of requesting books be shipped to the Center, invoices being sent to the ordering agencies and then the ordering. The practice of libraries making payments directly to the vendor before receiving shipment from the Center probably will not survive. It is easier for the Center but from the ordering libraries' viewpoint, it calls for faith on their part and from the viewpoint of may auditors would be called a dubious business practice. The load of receiving invoices as well as the books, proving invoices, paying the vendors, billing participating libraries, establishing an accounts payable file and accounts receivable file and reconciling the cash flow in against the cash flow out is a sizeable business operation. It means that some form of mechanization would be required long before the 200,000 volumes level were reached. It means that the current operation is not expandable to any appreciable extent without drastic revisions in approach taking place. It can operate at approximately its current level without danger even if the financial relationships with vendors and participating libraries change.

The alternatives then are to provide service on a much broader base to many libraries or to sit tight. Let us explore the possibility of a broader service base since remaining static has been rather fully defined. There are several possibilities here:

- To operate a large center accepting orders from any public library in the state, provide full ordering, cataloging and processing and maintain control over payments and billing operations.

- Ask a commercial vendor to provide the service.

- Provide a service using MARC tapes by which libraries order and process their own books and the Center provides the cataloging. There are several acceptable variations on this one theme.

- Several small centers be established at different points within the state and small centralized processing centers be operated.

A. PLAN A

We do not feel that there is any maximum size for a processing center. This opinion is not universally shared. In our opinion, the major problem in running a processing center is the searching for cataloging information and providing a proper set of catalog cards when the book has been processed. We believe that properly mechanized this hurdle can be cleared. The center would be expandable and ordering, cataloging and processing on an uncoordinated basis would, if mechanized, require an operating budget approximately equal to $1 per book. It would require only a few librarians with the bulk of the staff coming from the business world. The advantages of operating a center for libraries is the improved discount, standardization of cataloging within the state, freeing hundreds of hours of librarians' time monthly so that they can turn from repetitive clerical chores to "professional pursuits" including developing more direct contact with the public, and the use of input to aid the State of Florida in developing an effective Union Catalog. This is an inventory tool that will be essential as the need for Interlibrary Loan developes in Florida. It's an opportunity to obtain the input as a residual benefit from processing at little or no cost to the State for data collection. If one of the state's computers were available, free of charge, the cost of $1 per book could be reduced. Unfortunately this does not seem likely at the present time.

B. PLAN B

Ask a commercial vendor to provide the service. We queried several vendors and they indicated little interest in running a State processing plan located in Florida. They would prefer to provide the cataloging and processing from their established plants where economics of performance had been established and probably could not be passed on if it operated another possibly temporary unit far removed from its base of operations.

The other alternative is to seek processing from the vendors from whatever location it might be provided. This would undoubtedly be preferable to most vendors and we see this as the better of the two alternatives listed under Plan B. Particularly with the arrival of MARC tapes the vendor should be able to provide standard cataloging and can process to specifications as designated. One weakness is that very few vendors will process everything and until a fair number do, it would seem unwise to tie a state-wide operation to this narrow a base. We feel that this could be a useful safety valve (in periods of peak loads), however, to whatever processing plan is eventually adopted.

C. PLAN C

Provide a cataloging service using MARC tapes. This program has particular appeal because Florida libraries could order their books directly, sending a copy of the order to the Center. Catalog cards would be prepared by the Center lifting appropriate information off tape. The cards would be shipped to the libraries. Since probably only 80 to 90% of all orders are filled by vendors, this would result in some waste. However, this would be, we feel, less expensive than developing a selective process sending only cards for books that have been received. It would also slow down the process. The advantage here is that you would have available input for the Union Catalog as an inexpensive residual benefit. Other advantages are that many libraries have retired persons who volunteer their services to put on plastic covers, book pockets, etc., and when payment is tendered, it is minimal. In light of the sizeable number of low cost or no cost employees, this could be an advantage. It would be a fast operation with orders being sent directly to vendors and books being sent to the library directly. Possible disadvantages accrue to the larger public libraries who cannot run their processing lines on a volunteer basis, do not like to assign valuable space for this purpose and to all libraries in that separately they cannot command the book discount level that the Center should. This could run from 3 to 7 or 8% difference in discount depending on the size of the library. If the average price of a book is perhaps $6, an average savings of 5 points per volume could add up to 30 cents per volume. It is possible a state contract could be effected which could offer a threshold price to all libraries making use of participating vendors thereby reducing in part the loss of discount.

It must also be remembered that MARC tapes will cover present titles only and will not go back. This would indicate that if Plan C has appeal, it must be operated in conjunction with another plan.

D. PLAN D

Establish an unspecified number of small centers throughout the State in the modified mold of the Orlando Center. This would eliminate the need for mechanization or for extensive mechanization, keeps the matter simple and to a degree spreads the risk. The disadvantage, we feel, is that of not being able to take advantage of the economies of size. Also, there are not that many qualified librarians in Florida to assume these "new" positions. The repetitive work would be reduced from many libraries to several centers but substantial amounts of repetitive work would still be undertaken. These centers might seem realistic if they were part of a communication network where the cataloging would be offered in one location and the processing and business functions at the processing centers. This is the only way we would recommend Plan D. In our opinion, operating many self-contained processing centers would be inefficient and provide only marginal benefits to the libraries in Florida.

In our opinion, there is need for Centralized Processing or at least Centralized Cataloging in some form to be offered the libraries in Florida. It is imperative to make maximum utilization of limited funds and staff if a growth situation is to be effectively managed.

The present Center is located within the growth area of Florida in a moderately sized city and has available to it services necessary to its effective operation. Other cities within the area would qualify equally well but the existing Center is operational and we see no reason for changing its location. For the purposes of this study, the Center is considered to be located in or near Orlando.

We recommend that the Center expand its services and the scope of its services in a variety of ways. This will entail mechanization and new procedures which will be outlined in some detail.

It is our impression that at the present time no state computer facility is readily available to the Center. We advise utilizing a commercial service bureau until the State can make available a computer to the Center. The Service Bureau should have a medium-sized computer at least and both the ability to service disc magnetic tape and provide on-line data transmission capability.

E. AUTHORITY FILE

MARC tape would be stripped and added to the existing authority file which will be held on a magnetic tape access file. There are two possibilities regarding managing the back file. We would recommend that either a two-man team (provided extra funds are made available) be utilized to systematically place the existing authority file on cards in the new file on tape or that a new service of purchasing the last five years of the Library of Congress Union Catalog on microfiche be undertaken. MARC probably will not go back and it would seem that the back files of the Center should be sufficiently important to be placed in the new file or be obtainable through fiche. A grant of approximately $15,000 per year for three years would be required to hire a keypuncher or console operator and input equipment; or a one-time charge of less than that to follow the microfiche route.

Our recommendation is that a flexible plan be built that would allow for the best of Plans A and C to be implemented in the next twelve months. Flexibility is important at this time because the sources of bibliographic information are in a position of transition. We believe that MARC will work. It soon, we believe, will become operational. Even though it has been tested in pilot runs it has not yet been tested across the breadth of the library profession and has not yet withstood the pressures from a vast number of operating libraries. Our recommendations must necessarily plan for the successful implementaion of MARC but allow for the possibility that there may be limitations on its success. The Center will necessarily be flexible to shift as it becomes advantageous to do so. There should be

options available to participating libraries and they are as follows:

1. Order books themselves sending a copy of their orders to the Center. The Center will lift cataloging from MARC tapes and send cataloging cards back to the ordering library within a week. This obviously can be done only for current materials contained on MARC. The Center has a substantial file of materials cataloged since the inception of the Center some years ago. It should be possible to xerox or using microfiche to provide a set of cards and mail it back to the ordering library.

2. Libraries order materials through the Center requesting cataloging but no processing preferring to do the latter at the home library.

3. Libraries order materials through the Center and unless otherwise specified the books will be cataloged and processed and then shipped to the participating library.

In all of these options it will be important that the Center capture the order information and place the information on file so that a Union Catalog can commence to be established. As we see it, this fringe benefit is almost more important than providing the cataloging and processing itself. Together they easily justify expanding present facilities into a major center serving other types of libraries in the State of Florida. A Union Catalog, however incomplete, is necessary if Florida is to develop a truly effective network of services, the hub of which will be interlibrary loan and reciprocal borrowing. In addition, it is vitally important that the State Library begin planning for the building of resources within the state so that there is a more nearly complete coverage of printed matter than seems to exist today. It is difficult to plan for building collections on a state-wide basis when effective inventories of holdings are not available. There is a tendency for small and middle size public libraries to have virtually the same titles in their collections and even large public libraries find they specialize to a far less degree than the needs of their population really require. We, therefore, urge the creation of a Union Catalog on magnetic tape to allow a state library network to function to its fullest capacity.

As we see it, the Center should have at the outset the ability to expand over a three-year period to ordering, cataloging and processing 500,000 volumes annually and building that information into a Union Catalog maintained on magnetic tape. It would have "in house" the following equipment:

2 key punch machines (1 per each 100,000 volumes processed over 200,000)

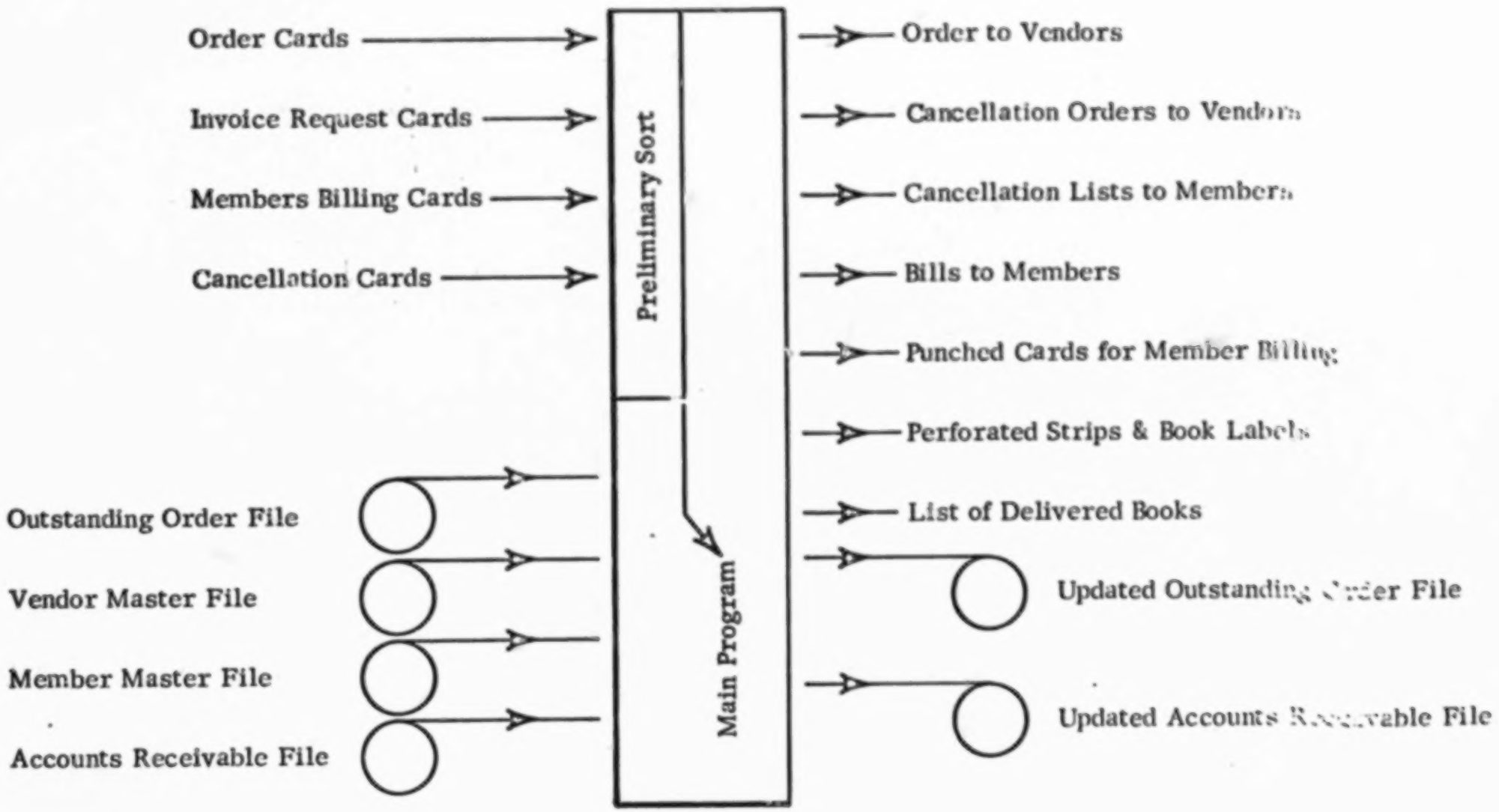
1 card sorter, 1,000 cards per minute

We recommend two separate computer systems:

1. An administrative system providing ordering, receivable and payable files, labels, packing slips, invoices, etc.

2. A catalog card system utilizing MARC tape.

We feel that to merge these two systems would require a sufficiently sophisticated system to place costs out of the reach of the Center. It is imperative that costs be held to $1 per book or less. If the costs measurably exceed this, we feel the Center would begin to fail in its mission. Having two systems will allow for flexibility to cope with the load which may be for cataloging cards without processing. If cost were no object, our approach to planning would be different.



OUTLINE OF RECOMMENDED ADMINISTRATIVE COMPUTER SYSTEM

VI. ADMINISTRATIVE SYSTEM

The following section is not unique to this study but is in large measure adapted from other work of a similar nature. This section is directly adaptable and we feel it is in order to provide these solutions which are superior to alternatives which we have explored.

The financial arrangements among the member libraries, the Center, and the vendors could be as follows:

1. Orders are placed by the Center (this is an administrative detail).

2. Books are received at the Center.

3. Vendor bills the Center for books received.

4. Center pays the vendor for items received.

5. Center ships the processed books to the ordering libraries.

6. Center bills the ordering libraries per shipment.

7. Center receives payment from the ordering libraries.

The bills will reflect the discount (which will be passed on to the purchaser) and a charge for processing of approximately $1 per book. Experience will indicate if this cost is adequate.

We recommend against placing books out for bid because price alone is a poor indicator of the worth of a vendor to the Center. Service (in the form of the number of titles supplied) and the correctness of the billing are two of many factors which should be considered. Many centers have found the bidding procedure to be costly and ineffective. In fact, if it is decided that book purchases in excess of $1,000 must be put out to bid, we would recommend abandonment of the entire book processing project. Such a requirement would bottleneck the program in a most crucial area, and do much to insure its failure.

The Center may wish to process material for libraries other than public libraries. If this is the case, the possibility of processing for a fee under contractual arrangements with school libraries and community colleges should be explored.

A. DATA PROCESSING SYSTEM

We recommend that the processing of book orders be carried out using modern data processing equipment, employing magnetic tape as the primary storage medium.

We have investigated the availability of computer time in the Orlando area and suggest that time sharing with a commercial service bureau would be most suitable. It is estimated that a maximum of 2 1/2 hours of computer time per day will be required to operate the system outlined below, based on an average of 2,000 volumes per day being processed. The rate for time on this equipment is about $80 per hour. It is felt that if the matter is explored, it might be possible to obtain an "educational discount" which would reduce the financial commitment.

B. SYSTEM DESCRIPTION

Requests for books are received from members. These requests will be in the form of cards, one card per volume ordered, which, upon receipt at the Center, will contain the following information:

1.1 Code number of member.

1.2 Title of volume.

1.3 Author.

1.4 Publisher.

1.5 Publication date.

1.6 Special ordering and processing instructions.

The Center will add the following information:

1.7 A number uniquely identifying the volume, consisting of vendor code number, a date code, followed by a serial number.

The completed order cards will be keypunched, and will be used to:

1.8 Print orders for dispatch to vendors.

1.9 Update a magnetic tape file containing all outstanding orders.

Invoices for books are received from vendors. For each invoice, all book orders in the "on order" file will be pulled, and information, in the following order, will be extracted from them:

2.1 A pre-perforated sheet containing all the information recorded on the original request card.

2.2 Book labels for direct application to the volume.

2.3 Pre-punched cards for billing of member libraries and proving invoices.

When this information is received from the data processing system, the following steps are taken:

3.1 Individual volumes on the invoice are matched to volumes originally ordered.

3.2 Perforated sheet and book label are placed in each volume.

3.3 Price information is added to the appropriate pre-punched card (2.3). This card is placed in the book.

3.4 One card is prepared, giving the list price and discount information. These cards (3.3 and 3.4) are collected for each invoice and are to be used for proving the invoice and later to serve to update the receivables file.

3.5 When all volumes on the invoice have been matched, the remaining perforated strips and book labels are discarded.

3.6 When the bills prove out, the cards are used to remove the volumes from the outstanding order file.

After volumes are processed, and before shipment, the cards prepared under section 3.3 are removed and keypunched. These cards are used to:

5.1 Prepare bills for dispatch to members.

5.2 Update the accounts receivable file.

5.3 Prepare a list of delivered books for filing purposes.

The cards prepared under section 3.4 are used to:

6.1 Prove the invoices.

6.2 Update the accounts payable file.

6.3 If required, produce pre-printed checks, made out to the individual vendors.

The further use of the accounts receivable and accounts payable files will depend on the accounting procedure which the Center adopts.

A cancellation card may be prepared at any time, specifying a date prior to which all outstanding orders are to be cancelled. This card will be used to:

7.1 Remove cancelled volumes from the outstanding order file.

7.2 Produce cancellation orders for dispatch to the vendor.

7.3 Produce cancellation notification sheets for dispatch to member libraries.

C. PROGRAMS REQUIRED

1. One program to handle the cards outlined under sections 1, 2, 3.3, 5, and 7. This program will be run on a daily basis, and all the types of cards mentioned above can be processed together, with one pass of the master files. The main functions of this program are summarized in Figure 1.

2. One program to prove invoices and prepare vendor checks.

3. Other accounting programs as required.

4. One program to form and update the master file of vendor and member information by code number, i.e., names and addresses for the preparation of orders, etc.

It is estimated that the above programs, excluding any special accounting programs, will cost from $20,000 - $25,000 to prepare.

D. ORDERING AND PROCESSING PROCEDURES

1. Order and Finance Department

This department will receive all orders from participating libraries. We recommend the use of a four-copy order form, with the original an eighty-column DP card (samples to be provided), and three "flimsies." The order should be filled out meticulously by ordering agencies and should include the source whenever possible. The staff of the department will mark each order card with a code number which determines to which vendor the order will be sent. We would recommend that these categories at least be used at the outset:

1. Center's main jobber

2. Continuations.

3. Children's books requiring specific binding.

4. Orders sent directly to publishers.

5. Special accounts (e.g., Wilson, Bowker, ALA, etc.).

6. Other jobbers.

We would recommend no hand ordering, even for small publishers. In short, the entire ordering operation should be placed on the computer.

2. Data Processing Department

The keypunch operator punches the information found on the original order card -- library code number, vendor number, author, title, publisher, date ordered, and symbols if provided, plus any additional processing information. The cards are sorted alphabetically by author and sent to the cataloging department.

3. Searching Section

For awhile the Center will have to operate with two systems as far as searching orders against catalog files is concerned. Assuming MARC is operational in 1969, we would suggest searching current orders on MARC stripping off catalog cards as needed. We would probably buy on microfiche the Library of Congress Catalog for the last five years. This is now available and the cost should be covered under a federal or state grant. This would allow an easy search technique for the older titles and allow for copies of catalog cards to be printed as needed eliminating the need for overruns. An alternative is to leave the existing card file and xerox orders for older titles as required. Less desirable, but possible, would be placing back files on the computer preferring to work with MARC from 1969 forward. Both files are searched and cards printed from the order form and stored awaiting shipment. This is accomplished by filing alphabetically within order number.

The searcher also writes the Dewey classification number (if one is used) onto the card. At this time, the searcher will also, to the best of her ability, verify the accuracy of information contained on the order card.

If the ordering library indicates that it does not wish the book to be processed, the order should be stamped, DO NOT PROCESS. This means that when received, it will automatically by-pass the cataloging and processing departments.

4. Data Processing Department

All accumulated order cards are divided by vendor code number. (The cataloging department, incidentally, returns all cards to the data processing departments on the Friday of each week.) All the cards except those destined to be placed with jobbers are sorted down alphabetically by title. The orders to jobbers must be sorted by publisher first and then by title. As volume grows, you may wish to do this on magnetic disc.

The cards are placed in the computer, where orders are printed out for each vendor. Names and addresses of vendors should be contained on the computer in "header" form style. The orders are printed out on continuous order form sheets.

When book orders are placed in the "on order" file, a unique number is assigned to each book.

5. Order and Finance Department

Orders are then mailed to vendors, and a copy of each order is placed on file in the Order Department. Orders are placed in an "outstanding order" file on magnetic tape, and are arranged by order number

When books arrive at the receiving station, cards, labels, and a work sheet are prepared by the computer for all items remaining in the "on order" file under the specified order number. The clerk then "mark senses" into one of the cards the list price and discount. This deck is then proven on the computer against the bills. Price information is then reproduced into the second deck. Balance sheets are prepared when bills are proven, attached to the bill, and initialled.

If the bill proves correct, it is approved along with the balance sheet and placed in a file by order number. There is occasionally a problem with fractions of pennies since vendors, characteristically, deal in whole pennies. The Center should be prepared to absorb small differences when proving bills or real problems will result.

When the adjustment is out of line. it is necessary to review the pricing on the invoice and cards to determine where the error has occurred.

Twice a month, all orders in the "on order" file exceeding the 75-day cut-off period are cancelled by the computer. Cancellation notices are placed in appropriate folders and these folders (containing invoices, balance sheets, and cancellations) are forwarded to the Business Office for payment.

Cancellation notices are sent to the vendor and to the individual libraries. In the latter case, only cancellations pertaining to the library in question are sent. This indicates a "resort" on the computer.

6. Receiving Department

Books received are checked off against the invoice. If there are any books listed on the invoice which have not been received, a debit memo is made out and forwarded to the Data Processing Department.

The order cards are inserted into the books which they represent, and after the invoices have been proved, the books can move on to either the cataloging or processing departments.

7. Cataloging Department

Books having no catalog cards prepared and indicated on the data card are brought from Receiving to Cataloging and shelved alphabetically by author. Each book contains a dispatch sheet and a data card. The books themselves are now searched through the "official catalog" to see if they have been cataloged since the order went out.

If they have been, the order number is written on the data card and the Dewey number is mark sensed in, if necessary. These books are then sent to the Processing Department.

Cards are sent to Data Processing where labels are printed, then returned to Cataloging where the labels are inserted in the books and the books are forwarded to the Processing Department.

8. Processing Department

This department receives all of the books. Books with cards stamped, DO NOT PROCESS go directly to the designated library's shelf. Any books having data cards marked with a specially colored pencil are put on a Corrections Shelf. These cards must be pulled and brought to Data Processing to be repunched, due to spelling errors, etc.

9. Data Processing Department

Labels are reproduced by computer. The labels for the book cards and pockets list author, title, and call number. The spine label will give the Dewey classification number, if there is one, plus the author's first two initials. The computer is programmed to automatically pick out the first two initials punched in the author field of the order card. For fiction, the spine label only shows the first two letters of the author's name. On all three labels, there is also space for any two symbols the library may want to use -- YA, J, R, SC -- for example. For biography, the labels must be hand-processed. Labels are produced in two ways: (1) when the matching of invoice to orders occurs, and (2) for materials not yet cataloged, on instructions from the Cataloging Department.

10. Processing Department

Labels are placed on the spine, and on the book card and pocket. A plastic cover is placed on the dust jacket (except for children's books having publisher's bindings). The book pocket is pasted to the inside of the book's back cover.

Books are put on shelves arranged by library. Order cards are pulled daily from the books awaiting delivery on the following day. Cards are sent to Data Processing.

11. Data Processing Department

Cards are placed in the computer and invoices are run off for each library about to receive a shipment of books. Invoices are then sent to the Order Department. Packing slips are also run off and sent back to the Processing Department. The accounts receivable file for each library is updated.

12. Processing and Shipping Department

Books awaiting delivery are checked against the packing slip and books are placed in canvas library delivery bags, or in cartons to be mailed.

13. Order and Finance Department

Bills are forwarded to members the day after the books leave the Center. Each shipment is invoiced. At this point, we would recommend that the receivables file be updated. We feel that statements should be provided monthly, recording the "ins and outs."

E. MISCELLANEOUS

The original order cards, once they have generated the order, are filed (in one-month files) and held for five months, after which they may be discarded.

We recommend that no custom-classification or -cataloging be attempted, and that once a code is established by the Center, that the standard be used for all libraries. We also recommend that you maintain the Dewey classification system and use the LC subject approach across the board. We realize that this may be an unpopular recommendation, but LC and Sears are moving closer to one another, and we believe that in the long run, you will profit from using our suggestion. It is further necessary, we feel, to keep abreast of changes in the Dewey system, for to the extent to which you falter in this regard, your cataloging will become less pure and your costs will begin to inch up.

We feel that the Center, as designed, can cope with 500,000 volumes per year -- ordered, cataloged, and processed or the various options as outlined.

VII. DATA PROCESSING COMMITMENT

We estimate that from a computer of the IBM 360-30 or 40 size using disc and magnetic tape you would require 2 to 3 hours per day for a center processing 500,000 volumes. This cost could be covered by an expenditure of $200 per day or $50,000 annually or 10 cents per volume. The additional in-house cost for equipment would be $500 per month. The entire DP effort would, including staff, run approximately $100,000 annually excluding supplies.

A. BUDGET

$100,000	Computer Operation (including DP staff)
200,000	Supplies
200,000	Staff (excluding DP staff)
100,000	Other (includes rent, insurance, equipment, fringe benefits,
$600,000	utilities, postage, etc.)

One time programming and design costs of up to $50,000 would be incurred.

We believe that the State should subsidize 25% of the cost of the Center if the preparation of a Union Catalog is undertaken. This will allow the Center's costs to more truly reflect the cost of processing and not place an undue burden on those participating in the services of the Center.

We estimate that the Center should take 3 years to reach the 500,000 volume figure. If one assumes the first year 200,000, the second year 350,000 volumes, and the third year 500,000, the state's assessment the first year would be the one time charge of $50,000 plus $62,500 supporting 25% of the cost of the Center. The support figure should be arrived at each year on the basis of anticipated volume and the union catalog effort.

This 25% reflects computer time, the cost of additional programs, staffing the union catalog effort, and preparing print outs in a manner to be decided by the State Library. If for any reason the union catalog effort is not mounted, the cost of the Center to the State should be in the form of grants to cope with one time costs such as programming, special equipment, etc.

The Center would be staffed by three to four librarians, one of them the Director, two of them Catalogers, a Business Manager, a Data Processing Manager and the remaining staff members would be considered members of the clerical force. It is anticipated that an annual operating budget of $600,000 would be required to operate the Center at the capacity of 500,000 requests annually and maintain the Union Catalog.

Of that the State would pay $150,000 for reasons specified. Probably a processing charge of $1 per book could be sustained. Charges for catalog cards only would be in the vicintiy of 25 to 30 cents per set.

B. DATA PROCESSING OPERATION

The Administrative System would operate with control cards filed "in house" to place in books as they proceed down the processing line. Files such as on order, accounts receivable, accounts payable, current inventory, and vendor and customer information would be held on magnetic tape. The files would be updated by feeding the order card or its satellite into the file at the appropriate time within the processing operation. Each operation would be handled once a day or once every two days by batch feeding the equipment in the Service Bureau's office. Print outs of labels, packing slips, cancellations, reports of cancellations, bills, and proving of invoices would be handled in this matter.

The catalog card search and the resulting printing out of catalog cards would be tied in with the MARC tapes. We believe the Center should not proceed without the tapes which, we understand, should be operational in 1969. Under no circumstances should the Center attempt to handle massive growth by providing catalog cards supplied by the offset printing method. A library should be able to order books on an uncoordinated basis and the approach that we have recommended should eliminate the need for overrunning and storage of overruns for possible future orders. We would suggest that at the outset the Center limit its activities to items published since the Center opened for business. Probably the cut off date should be 1963 or 1964, but any date selection in this general area will suffice. We estimate the Center if it were processing for 500,000 volumes annually would probably be coping with 30,000 titles. This would be particularly true if schools and community colleges were involved. We feel that 90% of the orders of schools and public libraries would be sufficiently current in nature to be covered by a cut off date of 1963 or 1964. Later within two or three years, the Center can push back the date if it so desires.

MARC TAPE FILE. An upper and lower case chain will have to be available.

- Orders are sorted on tape.
- Orders are searched against MARC Tape File.
- Cards are filed by Order Date and alphabetically within date in the Processing Area.

UNION CATALOG FILE

- When libraries are billed, items shipped are stored on tape as a separate exercise.

. This tape could later be used to produce a Union Catalog as follows:

a. a program written to add the following code to the Union Catalog Tape and the MARC Tape:

The next step in the ordering cycle is to determine whether the item ordered has been cataloged. This is accomplished by an access to the Authority File, using the author and title as an access key. We have done some testing of an access key which uses the first 3 characters of the author's last name and the first character of the first four words in the title. If the title contains less than 4 words, the remaining letters are obtained from the last word. For example, we have the following author/title keys:

Gibbon, The Decline and Fall ...	= GIBTDAF
Jones, Selected Poems	= JONSPOE
Scott, Ivanhoe	= SCOIVAN

This scheme provided unique codes for about 98% of a sample of 200,000 titles. In those cases where duplicate access keys are developed, a note in the first Authority File record can be used to reference the other records.

b. run the two tapes for hits and print non-matches.

c. non-matches manually searched.

d. print Union Catalog using MARC Tape as basic bibliographic unit and order tape as the identifyer.

For the present, we would not place a priority on building the back file on tape.

VIII. SUMMARY

It is our assessment that the Center except for the State funding already specified should be able to pay its own way. It would, we feel, be an extremely worthwhile endeavor with substantial benefits accruing to the libraries and their patrons.

The Administrative Unit should be either a separate corporation or operated by the State. In either case, we recommend for a unit of this projected size an executive board of seven consisting of lay persons and librarians. Each library willing to allocate an agreed upon portion of its acquisitions either the whole processing or just the catalog card would have one vote and the group through a nominating committee and balloting would select the board. Terms of office should be staggered and terms should not be for a period longer than 5 years. If the organization is a private corporation and this is preferable the individuals would be board members. If it is a State organization, they would form an advisory committee.

This report is offered as a first step toward providing a service for which there is substantial need. If the expansion for any number of reasons is not attainable, the first section of the report should provide improved service within the framework of either no growth or growth of very modest proportions.

APPENDIX B

FLORIDA QUESTIONNAIRE
Libraries Which Are Not Participating

Library:

Address:

Name of chief administrative officer:

1. How do you have books cataloged and processed? (check appropriate phrases)

____a) In your own library

____b) By a commercial firm

____c) By another processing center

____d) Combination of above (please describe)

2. How many employees are involved in this phase of your operation?

Professional	Clerical
____ Full time	____ Full time
____ Part time	____ Part time

3. How many volumes were processed for your library in 1967 or the latest fiscal year?

____ Purchased ____ Gifts

4. How many titles were processed for your library in 1967?

5. What classification system does your library use?

____a) Dewey Decimal classification -- what edition?

____b) Modified Dewey Decimal classification

____c) Library of Congress

____d) Other (please describe)

6. Is the Dewey number usually carried to two, three, or more places beyond the decimal or in any special category?

7. In call number, is author designated by:

____a) one initial

____b) more than one initial

____c) Cutter number

8. Is individual biography designated by:

____a) B

____b) 92

____c) 921

____d) Other

9. Is full last name or initial only used below biography designation?

____a) Full last name

____b) Initial only

10. Do you use the McNaughton, American Lending Library or a similar type plan for current titles?

____ YES ____ NO

11. What is the average cost for cataloging and processing a volume in your library (including cost of supplies but excluding cost of catalog maintenance)?

12. What is the average time lapse from date of ordering and placement of book on shelf for public use? (assuming all outstanding orders which are four months old are cancelled)

____ a day ____ a week ____ a month

13. Approximately how many volumes are currently waiting to be cataloged?

14. Approximately how many titles are currently in your orders outstanding file?

15. Do you use LC proof sheets? ____ YES ____ NO

16. Do you use LC cards? ____ YES ____ NO

17. Do you use cards supplied by another source? ____ YES ____ NO

Name of source:

18. What is the location in book of book pocket and card?

____ Inside front cover

____ Inside back cover

19. Do you have any special billing instructions? (if yes, please attach samples showing format and indicate number of copies required)

____ YES ____ NO

20. What is your book budget for the current fiscal year?

21. Are you required to place your book orders and processing out on bids?

____ YES ____ NO

What discount do you receive for books?

How often do you place book orders?

____ Daily ____ Weekly ____ Monthly

22. What is the main reason why you do not have books processed at the Orlando Center?

____a) Cost

____b) Time factor

____c) Variance in cataloging

____d) Variance in classification

____e) Administrative organization

____f) Other (please describe)

23 What do you feel your library would be willing to pay for books completely processed, ordered and cataloged?

____a) 60 - 80 cents

____b) 80 - 1.00

____c) 1.00 - 1.25

____d) 1.25 - 1.50

____e) over 1.50

24. What changes in the Orlando Processing Center would have to be made in order to have your library participate?

25. Any further comments?

Signature:

Title:

Date:

APPENDIX C

FLORIDA QUESTIONNAIRE
Libraries Which Are Participating

Library:

Address:

Name of chief administrative officer:

1. How long has your library been participating in this program?

2. How many volumes do you have processed each year?

3. How many titles do you have processed each year?

4. What was your book budget for the last fiscal year?

5. What percent of your book budget was spent through the Center?

6. What is the average length of time for cataloging and processing a book through the Center?

   Between ordering and receipt of book?

7. When is the first grouping of titles from a large order generally received?

   ____a) less than 4 weeks

   ____b) less than 5 weeks

   ____c) less than 6 weeks

   ____d) less than 8 weeks

   ____e) more than 8 weeks

8. Are current or best seller titles processed quickly enough to meet the demand for them in your library?

____ YES ____ NO

9. What is the average cost for cataloging and processing a volume in your own library?

10. For current titles, do you use:

____a) McNaughton

____b) American Lending Library

____c) Other

11. Can you categorize the material not sent to the Center by your library?

____a) Juveniles

____b) Fiction

____c) Current titles

____d) Local history

____e) Special items

____f) Other (please specify)

12. Since joining the Processing Center, have individuals previously assigned to processing duties been reassigned to other duties?

____ YES ____ NO If no, why?

13. Do you consider the Center's method for reporting back on outstanding orders and cancellations effective?

____ YES ____ NO If no, why?

14. What adaptations are you making to fit the Center's cataloging, classification, and processing in your library?

15. Are there any special billing instructions you would like to impose on the Center? (if yes, please attach samples showing format and indicate number of copies required)

____ YES ____ NO

16. What do you consider the quality of the overall service of the Processing Center?

____ Excellent ____ Fair ____ Inadequate

____ Good ____ Adequate

17. What do you consider the quality of the processing by the Center?

____ Excellent ____ Fair ____ Inadequate

____ Good ____ Adequate

18. What do you consider the quality of the cataloging and classification of the Center?

____ Excellent ____ Fair ____ Inadequate

____ Good ____ Adequate

19. What changes, if any, would you like to see made in the services offered by the Processing Center?

20. Which of the following administrative patterns would be most acceptable to your library? Please rate in order of (1) most acceptable (2) acceptable (3) least acceptable (4) not acceptable.

____a) Operation by Orlando Public Library with State support

____b) Operation by Florida State Library

____c) Non-profit independent chartered organization

____d) Other (please describe)

21. What do you feel your library would be willing to pay for books completely processed and cataloged?

____a) 60 - 80 cents

____b) 80 - 1.00

____c) 1.00 - 1.25

____d) 1.25 - 1.50

____e) over 1.50

22. Any further comments?

Signature:

Title:

Date: